

WORTHINGTON
EXECUTIVE SEARCH

Wealth Management Market Commentary

2020/2021



January 2021

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We are pleased to share with you our 2020/2021 Wealth Management Market Review. In addition to our usual commentary, we have devoted a further section to the subject of Diversity, Equity & Inclusion (DEI). We recognise we have a part to play in helping our Wealth clients continue to develop a diverse and inclusive workforce and that this can extend beyond hiring externally, such as through cultural assessment programmes and talent development. The Appendix, as usual, lists Key People Moves across the sector during 2020.



SECTION 1: 2020 REVIEW

Q1 2020:

- Following the 2019 General Election and further Brexit progress which led to the UK's departure from the EU on 31st Jan 2020, Wealth Management businesses moved into growth mode.
- But then Covid.....

Q2 2020:

- Wealth Management companies focused all attention on their clients and the welfare of their employees.

- Long term planning meant next week, not next quarter or next year. It was Work From Home (WFH) logistics and managing investment performance through the market turmoil.
- Of our pipeline of searches, approximately a quarter were cancelled, a quarter were put on hold and the remaining 50% continued to move forwards, albeit cautiously.
- Hiring plans focused on critical gaps identified by remote working operations. Additional client relationship managers? No thank you. New COO / CTO to execute the 3-year change plan in three months instead? Yes please.

“Of our pipeline of searches, approximately a quarter were cancelled, a quarter were put on hold and the remaining 50% continued to move forwards.”

Mid 2020:

- WFH was working. Investment markets were calmer and largely recovering their losses.
- There was an increasing confidence that revenue targets for 2020 might be achieved. Indeed, active advisory and trading activity pointed to a potentially stronger year than initially envisaged.
- It was mainly the small number of private banks that rely most heavily on banking and lending business which were more negatively impacted by lower interest rates and which were not propped up by improving investment revenues.
- At this point Net New Money (NNM)/ growth targets had gone out of the window and the real 'win' was keeping clients.

Q3 2020:

- Some Wealth leaders began telling us that they were increasingly encouraged by their NNM figures. We noted especially that some of the pure play private banks were reporting an increase in NNM, perhaps because of their predominantly investment led propositions.
- However, performance commentary within subsets of the Wealth Management sector began to differ. Some were cautious and focused purely on maintaining revenues whilst other firms were distinctly more active when hunting for new business and claiming success.

“Wealth leaders began telling us they were increasingly encouraged by their NNM figures.”

- With markets having steadied and remote working largely proving sustainable, thoughts were already turning to 2021. The prevailing sense was that if 2020 was to be a flat year then it would become even more important to make the most of 2021.
- Three year and five year growth plans had essentially lost a year, but this would be manageable if it could be confined to just one year.
- How to maximise growth potential in 2021? Execute Change programmes; Have the right people in the right seats; Ensure that leadership and talent are performing to their full potential.

- There is a lead time that comes with this and therefore by September 2020 we were already in dialogue with many businesses about their 2021 needs. The volume of pitches that we attended picked up and there was encouraging momentum.
- Hiring requirements were still weighted heavily towards leadership and corporate functions, but gradually we also saw interest in relationship managers and business developers.

“Hiring requirements were still weighted heavily towards leadership and corporate functions.”

Q4 2020:

- Just as it seemed that the fourth quarter would be extremely busy executing work, the second virus peak and subsequent lock down kicked in and momentum slowed. But this time, there was no major concern or change of strategic direction. Just the timing of it.
- No longer was it necessary to have the right people in the right seats by Jan 1st 2021, rather businesses are now focused on being game ready for the second quarter of 2021.

- This still involves a lead time and at the time of writing at the end of December, we have now resumed active pitching for new work and are busy executing searches with a view to Q1 completion around the time of bonuses – or lack of, as the case may be.

“We have now resumed active pitching for new work and are executing searches with a view to Q1 completion.”

SECTION 2: LOOKING AHEAD

- 2021 will bring uncertainty, challenge and opportunity in equal measure. Low interest rates will hit balance sheets but help growth prospects. Technology investment will continue to demonstrate its worth. Organic growth will require wealth creation. Consolidation will no doubt continue, especially across the Advice sector.
- Whilst revenues held up during 2020, the environment became cost conscious and many businesses cut overheads, especially through headcount reductions. This mindset will continue in the year ahead in a desire to maximise margins. Relocating and outsourcing operations will become the norm.
- With an increased virtual relationship with clients, digital propositions will come under the microscope. Wealth organisations which leverage data to further understand their clients and to better target prospects will increase wallet share and NNM more successfully. Yet if nothing else, Covid has also demonstrated the importance of relationships and trust between wealth managers and their clients. However digital the world becomes it is in times of stress that people want to engage with people.
- Sustainability will continue to be a key theme and an area of growth within the industry. As will demand for private market investments from HNW and mass affluent clients.
- We expect hiring activity to increase in the first half of 2021 as Wealth firms target a growth agenda. Combining this with a wide variation in bonus payments across the industry, it is likely to create a relatively fertile candidate environment. Continuing the theme of the last few years, 'planning-led' relationship managers and business development oriented financial planners will continue to command a premium.
- For the last four years we have also needed to mention Brexit, and its uncertain impact on the financial services industry. Yet again, despite a trade deal having now been concluded, there will surely be continued impact on Wealth managers in the year ahead, whether directly or indirectly through the economy and prospects for wealth creation.

“Covid has demonstrated the importance of relationships and trust between wealth managers and their clients.”

SECTION 3: DIVERSITY, EQUITY & INCLUSION

- As Covid impacted business across the Wealth Management industry during 2020, we initially thought that the subject of Diversity, Equity & Inclusion (DEI) might be pushed down the list of priorities. However, we were encouraged to see that in fact the opposite occurred. With employee welfare being front and centre, we found this dovetailed effectively with conversation around DEI.
- We held many virtual HR roundtables throughout last year. During those, and in our conversations with Wealth Management leadership more broadly, DEI was consistently and increasingly raised as an important theme.
- There is no doubt, and plenty of research to support, that businesses which have a diverse and inclusive leadership team will be better equipped to recover after the struggles of last year and likely to achieve better performance in the years to come.
- Whilst remote working may have brought flexibility and a better work life balance for many, it will also have had a detrimental impact on aspects of DEI. It is much harder to foster an inclusive culture remotely.

Furthermore, how equitable is a home office environment for those without proper home office space or infrastructure? Or for those home schooling their children? Many employees may also

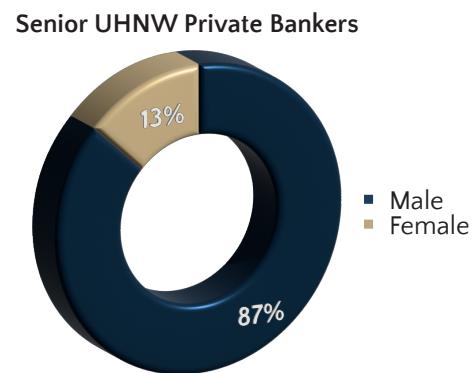
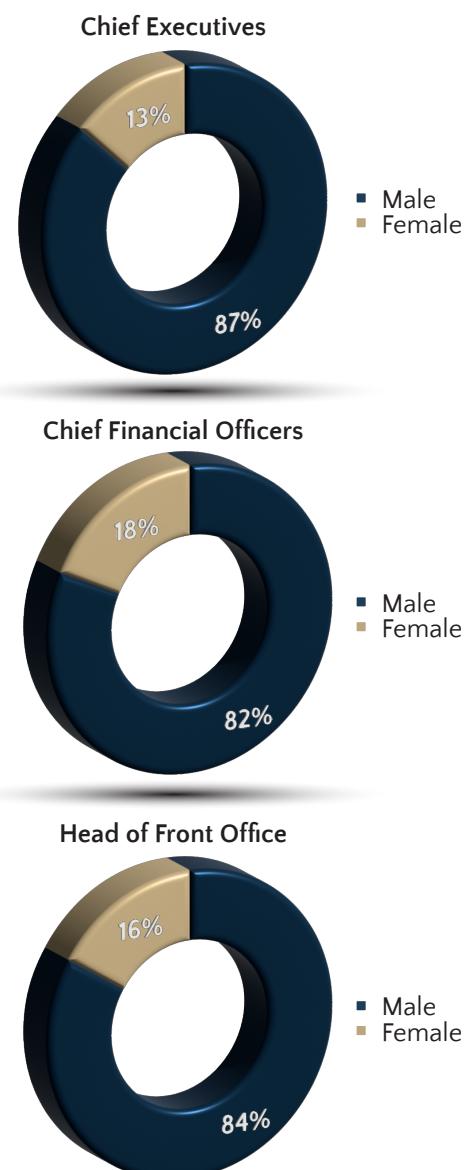
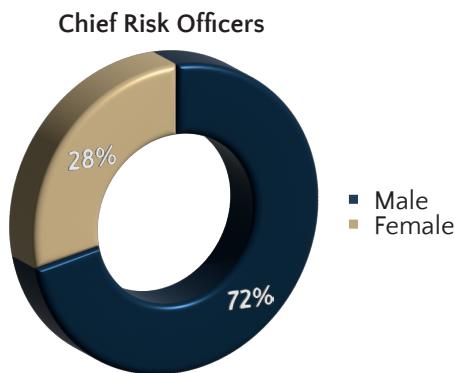
- be uncomfortable sharing aspects of their home life on video conferencing calls, further isolating them.
- Hiring diverse talent alone is not enough for Wealth Managers to create a successful team. Creating an inclusive environment is also vital to achieve high performance. Some organisations have engaged with DEI practitioners who can provide virtual workshops and training to help with this to limit the negative impacts working from home may have on company culture.
- An assessment of a company's culture can also help its leadership to truly understand the impact their working environment is having on their DEI programmes.

“We held many virtual HR roundtables and DEI was consistently and increasingly raised as an important theme.”

DIVERSITY WITHIN WEALTH MANAGEMENT

- Throughout 2020 there has been a continued drive to appoint senior females to boards and executive committees but an ongoing struggle to find diverse talent. Despite best intentions, many Wealth organisations struggle to find the most effective process to address this matter.
- Recruiting, retaining and developing diverse talent is vital for Wealth companies. However, as a talent consultancy, we are the first to recognise the challenges of diverse hiring when there is a limited pool at the more senior end of the market.
- We encourage our clients to consider lateral candidates and to ensure a diverse short list at interview stage. Importantly, we also note those organisations that alter their interview process to make sure it is inclusive and suited to a breadth of individuals.
- In an environment where headcount and hiring is limited, another solution for Wealth Managers is to prioritise developing and upskilling existing talent within their own organisations.
- To further understand diversity within the wealth management marketplace, we undertook our own research to identify the percentage of females within senior wealth management positions in the UK.

*Sample 75 UK Wealth Managers



“We encourage our clients to ensure a diverse short list at interview stage.**”**

OUR COMMITMENT TO DEI

- We are fully committed to helping our clients achieve a diverse and inclusive working environment.
- We recognise the importance we play in helping organisations achieve their DEI goals and our role as the point of contact between diverse candidates

and employers. For this reason, we are constantly evolving our practices to make sure we have the best access to diverse talent and ensure continuous engagement with these individuals.

SECTION 4: TALENT CONSULTANCY

INTERIM CONSULTING & ADVISORY



- 2020 has impacted the Wealth Management industry's demands on employees in a distinct and notable way, accelerating the digital agenda and need to drive operational efficiencies for many firms.
- The year's challenges necessitated many short term and relatively immediate change initiatives, involving corporate functions such as Technology, Risk & Compliance and Finance.

- It is common in these circumstances for businesses to lack specific technical knowledge or strategic expertise. We remained busy throughout the year introducing specialist consultants to Wealth organisations who can bring in deep and specific expertise when needed most.
- We have seen clients increasingly use experienced Interim Executives to provide critical cover in the short to mid-term, whilst the permanent solution is determined. In these instances, we often run a concurrent Search assignment to identify the successor and this process can be led and overseen by the Interim consultant.

The year's challenges necessitated many short term change programmes, involving Technology, Risk & Compliance and Finance.

TALENT DEVELOPMENT & ADVICE

- The challenges brought about by Covid have thrown a focus on employees like never before, whether relating to welfare, diversity or leadership.
- Who are the future leaders of your organisation? Do you have the right talent pipeline in place for future leaders? Is there succession planning in place? What are you doing to increase diversity within your organisation?
- We saw an increase in demand for 'Assessment for Selection' offerings – the need to more closely assess and profile candidates through psychometric testing, competency-based interviewing and more. All highly necessary given the increasingly virtual component of most hiring processes.
- We have seen an increased focus on culture and a need to coach and develop disparate leadership teams that are likely to work more remotely in the future.

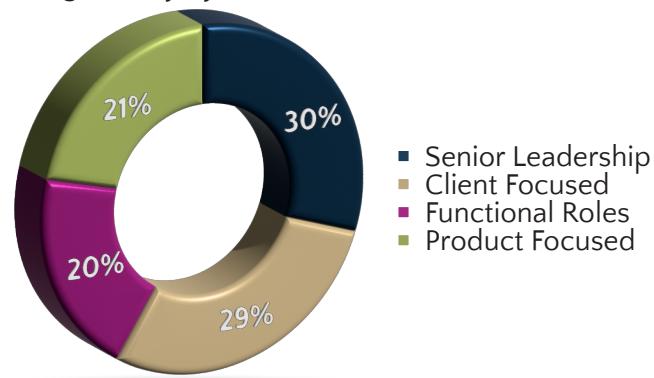
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SECTION 5: HIRING ACTIVITY

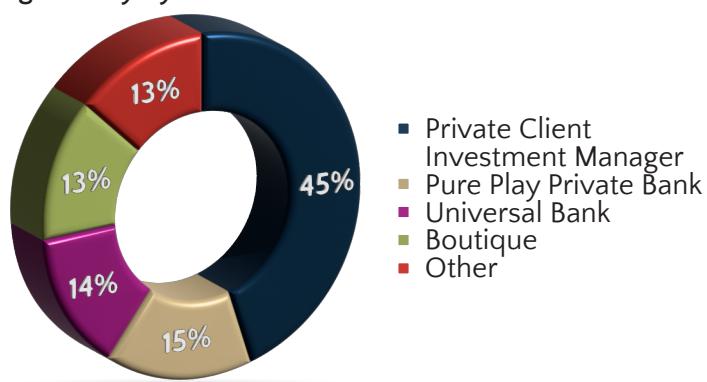
HIRING ANALYSIS OF SENIOR PEOPLE MOVES:

Hiring Activity by Role: 2020



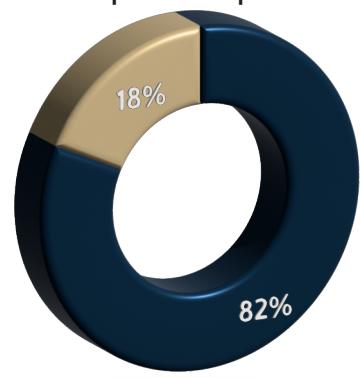
- Senior Leadership
- Client Focused
- Functional Roles
- Product Focused

Hiring Activity by Sub-Sector: 2020



- Private Client
- Investment Manager
- Pure Play Private Bank
- Universal Bank
- Boutique
- Other

Gender Split of People Moves



- Male
- Female

KEY EXECUTIVE MOVES – SENIOR LEADERSHIP

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Adrian Grace	Aegon UK	Seven Investment Mgt	Chairman
Andy Thompson	Quilter Financial Planning	Tbc	Ex-CEO
Antonio Simoes	HSBC Private Bank	Banco Santander	Regional Head of Europe
Bambos Hambi	Aberdeen Standard Investments	Quilter Investors	CEO and CIO
Barbara-Ann King	PorcelainMediaGroup	Investec Wealth & Investment	Chief Commercial Officer
Chris Samuel	NED	Quilter Financial Planning	Chairman
David Lawrence	Schroders Personal Wealth	Kingswood Group	UK CEO
David Nicol	Brewin Dolphin	Tbc	Ex-CEO
David Scott	LGT Vestra Wealth	Tbc	Ex-Chairman
Denis Nagy	Dolfin Wealth Mgt	Artek Group	Managing Director
Didier Von Daeniken	Standard Chartered Private Bank	Tbc	Ex-Global Head of Private Banking & Wealth Management
Grant Parkinson	Brewin Dolphin	Standard Chartered Private Bank	Regional Head Priority and Private Banking
Ian Cornish	St James's Place	Tbc	Ex-Chairman
Ian Owen	Seven Investment Mgt	Tbc	Ex-Chairman
James Brent	Hawksmoor Investment Mgt	Tbc	Ex-Chairman
John Bunch	Edelman Financial Engines	Tilney Group	Chief Commercial Officer
John Maitland	Kleinwort Hambros	Tbc	Ex-CEO
Jonathan Gumpel	Brooks Macdonald	Aubrey Capital Mgt	Director
Jonathan Wragg	Investec Wealth & Investment	Tbc	Ex-CEO
Mark Duckworth	Openwork	Schroders Personal Wealth	CEO
Martin Gilbert	NED	Saranac Partners	NED

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Michael Cole- Fontayn	Brown Shipley	Tbc	Ex-Chairman
Nick McCall	Dolfin Wealth Mgt	Canning House	Chair of The Board of Trustees
Nick Tucker	UBS Wealth Mgt	Waverton Investment Mgt	CEO
Noland Carter	Handelsbanken	Tbc	Ex-CIO
Paddy Lewis	Sionic	Artorius Wealth	CEO
Patrick Ramsey	Indosuez Wealth Mgt	EFG Private Bank	Head of Continental Europe & Middle East
Paul Manduca	NED	St James's Place	Chairman
Paul Richardson	Frenkel Topping	Tbc	Ex-Chairman
Peter Charrington	Citi Private Bank	Tbc	Ex-Global Head of Private Bank
Peter Hetherington	Schroders Personal Wealth	Tbc	Ex-CEO
Philip Howell	Rathbones	Openwork	CEO
Remi Mennesson	Credit Suisse Private Bank	UBS Wealth Mgt	Group Managing Director
Rupert Pleasant	Beauvoir Group	Guernsey Finance	CEO
Steven Cooper	C. Hoare & Co	Aldermore Bank	CEO
Steven Sussman	JM Finn & Co	Tbc	Ex-CEO
Stuart Parkinson	HSBC Private Bank	Lombard International Assurance	CEO
Toby Strauss	Brewin Dolphin	Tbc	NED
Tom Street	Investec Wealth & Investment	Tbc	Ex-Managing Director
Tracy Clarke	Standard Chartered	Tbc	Ex-Private Bank CEO and Regional CEO, Europe and Americas

KEY EXECUTIVE MOVES – CLIENT FOCUSED

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Andrew Watson	M&G	Seven Investment Mgt	Head of Sales Management
Annerien Hurter	HSBC Private Bank	Quintet Private Bank	Group Head of Lending
Calum Brewster	Julius Baer	Brown Shipley	Head of Regions UK
Caroline Kitidis	Deutsche Bank	HSBC Private Bank	Head of UHNW EMEA & US
Charlotte Platts	Santander	Tbc	Ex-Head of Wealth Management
Chris Liebetrau	Tilney	Nutmeg	Head of Financial Advice
Colin Rowe	Close Brothers Asset Mgt	Seven Investment Mgt	Head of Private Clients
David Stevens	JM Finn	Raymond James	Investment Manager and Branch Principal
Effie Datson	UBP	Barclays Private Bank	Global Head of Family Office
Elena Griffin	JP Morgan Private Bank	UBS Wealth Mgt	Managing Director, Global Family Office – Russia, Israel, CEE
Francis Parisis	IQ-EQ	Intertrust	Global Head of Business Development, Private Wealth
Gordon Scott	Julius Baer	Brown Shipley	Head of Strategic Partnerships and Entrepreneurs Network
Guy Healey	Brown Shipley	Tbc	Ex-Head of Private Banking
Ian Sackfield	Brown Shipley	Charles Stanley	Managing Director, Branches
James Ballinger	Moneyfarm	Close Brothers Asset Mgt	Practice Director – London
James Whittaker	UBS Wealth Mgt	Deutsche Private Bank	Head of Relationship Management, UK
Julian Polnik	Smith & Williamson	Waverton Investment Mgt	Head of Adviser Services
Liz Weir	UBS Wealth Mgt	Brown Shipley	Head of London and International
Martin Cuthbert	Julius Baer	Brown Shipley	Head of Manchester
Matt Hoyne	UBS Wealth Mgt	Brown Shipley	Head of Edinburgh
Matt Falla	Kleinwort Hambros	Smith & Williamson	Director of Jersey Office

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Maurice Keane	Rathbones	Tilney Group	Head of International Business Development
Melanie Aimer	BNP Paribas Asset Mgt	Barclays Private Bank	Global Head of Client Experience
Michael Bishop	UBS Wealth Mgt	Tbc	Ex-Head of Global UHNW, Northern Europe
Michael Maslinski	Stonehage Fleming	Tbc	Partner
Neal Smith	Parmenion	Hawksmoor Investment Mgt	Head of Sales
Nick May	HSBC Private Bank	Tbc	Ex-Business Area Co-Head, Europe International
Olivier Franceschelli	CFM Indosuez	Barclays Private Bank	Head of Private Banking - Monaco
Paul Kearney	Kleinwort Hambros	Tbc	Ex-Head of Private Banking
Paul Rogers	IQ-EQ	Northern Trust Asset Mgt	Head of Fiduciary
Raphael Drescher	Deutsche Private Bank	Brown Shipley	Head of UK Family Office
Richard Bacon	PIMCO	Shard Capital	Head of Sales & Business Development
Robert Nye	LGT Vestra Wealth	Cazenove Capital Mgt (Schroders)	Head of Bristol
Salman Haider	Barclays Private Bank	Tbc	Ex-Region Head Global Growth Markets
Sara Ferrari	UBS Wealth Mgt	Tbc	Ex-Head of Family Office Group
Shelly Doorey- Williams	UBS Wealth Mgt	Sionic	Partner
Simon Funge	Wesleyan Financial Services	Quilter Cheviot Investment Mgt	Head of Manchester
Simon Pearson	UBS Wealth Mgt	Cazenove Capital Mgt (Schroders)	Head of Manchester Officer
Stewart Sanderson	Seven Investment Mgt	Brooks Macdonald Group	Senior Investment Director
Tim Sanders	Canaccord Genuity Wealth Mgt	Tbc	Ex-Head of Wealth Management, Jersey

KEY EXECUTIVE MOVES – FUNCTIONAL

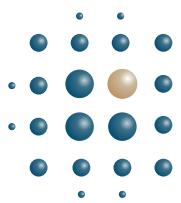
INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Andrew Butcher	Rathbones	Tbc	Ex-COO
Andrew Carrier	Dolfin Wealth Mgt	Tbc	Ex-Head of Marketing
Andy Brodie	Aberdeen Standard Capital	Rathbones	COO
Christopher Kirk	Al Rayan Bank	Nedbank Private Wealth	CRO
Claire Burden	Ecotricity	Smith & Williamson	Partner, Advisory Consultant
Criona Sproson	UBS Wealth Mgt	Head of Human Resources	Brown Shipley
David Ogden	Seven Investment Mgt	Sparrows Capital Ltd	Head of Compliance
Fiona Noonan	Peerpoint	Weatherbys Private Bank	General Counsel
Fiona Woodhouse	Quilter Investors	Brown Shipley	CRO
Harriet Griffin	Charles Stanley	Kingswood Group	COO
James Crane	Seven Investment Mgt	Park Square Capital	Head of Technology
Jason Wood	Brooks Macdonald	RPMI Railpen	COO/CTO
Jess De Alwis	Investec Wealth & Investment	Hawksmoor Investment Mgt	Head of Compliance
Kirsten Owbridge	St James's Place	Kingswood Group	Group HR – Managing Director
Louise Denning	Tetrago Financial Group	C. Hoare & Co	CFO
Lynsey Cross	AmTrust International	Brooks Macdonald Group	COO
Martin Bradbrook	Dolfin Wealth Mgt	Shard Capital	COO
Mayank Prakash	Centrica	Tilney Group	Group Chief Technology Officer
Michael Knight	Hawksmoor Investment Mgt	Tbc	Ex-Head of Compliance
Rehana Hasan	Tilney Group	Tbc	Ex-Group General Counsel and Company Secretary
Richard Bernstein	Close Brothers Asset Mgt	Kingswood Group	CRO

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Robin Davies	Lloyds Banking Group	Dolfin Wealth Mgt	Chief Operating Officer
Sanjay Maraj	Dolfin Wealth Mgt	Artek Group	CFO
Simonetta Rigo	Tesco Bank	Tilney Group	Chief Marketing Officer
Stephen Bentley	Frenkel Topping	Tbc	CFO
Yann Tricard	HSBC Private Bank	Bank J. Safra Sarasin Ltd	Head of Market Management

KEY EXECUTIVE MOVES – PRODUCT

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Alan Werlau	Single Family Office	Barclays Private Bank	Head of Investments – Ireland
Chris Godding	Tilney Group	Tbc	Ex-CIO
Chris Ralph	St James's Place	Tbc	Ex-CIO
Daniel Ellis	RBC Wealth Mgt	Tbc	Ex-Head of Investments
Donough Kilmurray	Goldman Sachs PWM	Davy Asset Mgt	CIO
Eimear Toomey	Sustainalytics	Quilter Investors	Head of Responsible Investments
Fraser Marshall	Arden Partners	WH Ireland	Head of Capital Markets
Ian Jensen- Humphreys	Seven Investment Mgt	Quilter Plc	Portfolio Manager
Jake Lewis	Brooks Macdonald	Rathbones	Discretionary Sales Specialist
James Brennan	Rathbones	Cazenove Capital Mgt (Schroders)	Portfolio Director
Jeremy Hippolite	Charles Stanley	Tbc	Ex-Head of Asset Mgt Development
John Betteridge	Rowan Dartington	Tbc	Ex-CIO
John Wallace	Brooks Macdonald	Sentinel Portfolio Mgt	CIO
Karen Frank	Barclays Private Bank	Ontario Teachers' Pension Plan	Global Head of Equities
Keith Burdon	Martin Currie	Tilney Group	Head of Charities, Scotland & NI
Marcus Porter	PwC	Alvarium Investments	Managing Director
Mark Thomson	Scottish Building Society	Hampden Group	Head of Credit
Matthew Butcher	Albermarle Street Partners	A&J Wealth Mgt	Independent Consultant
Nancy Curtin	Close Brothers Asset Mgt	Alvarium Investments	CIO
Niraj Shah	Private Investment Office	Rathbones	Investment Research
Peter Brunt	Morningstar	Schroders Personal Wealth	Head of Manager Research

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Preysh Erith	Santander	HSBC Private Bank	Head of Investment Process, Funds and ETFs
Rebecca Coriat	Investec Asset Mgt	Lombard Odier Investment Mgt	Head of Stewardship
Robert Jukes	Canaccord Genuity Wealth Mgt	Rowan Dartington	CIO
Robert Candler	HSBC Private Bank	Tbc	Ex-Head of Discretionary
Solomon Soquar	Barclays Wealth and Investment Mgt	Tbc	Ex-Head of Investment Solutions
Susannah Streeter	BBC	Hargreaves Lansdown	Senior Analyst
Toby Cross	Barclays Wealth and Investment Mgt	Rothschild Private Wealth	Head of Investment Solutions
Tom Blathwayt	Systemiq	Brewin Dolphin	Head of Sustainability
Tom Slocock	Deutsche Private Bank	iCapital Network	Head of International Product Development and Origination



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